

BACKGROUND:

CTRs are the means through which RTO West and its PTO's will address transmission service related to pre-existing transmission contracts and load service obligations. CTRs are fundamental to the RTO West Congestion Management proposal for two reasons: because conversion of pre-existing rights to FTOs is voluntary and because CTRs allow RTO West to manage rights related to pre-existing transmission contracts and load service obligations on a "netted" basis in a way it could not if all parties were compelled to convert their pre-existing rights and obligations to FTOs.

Cataloguing transmission rights is the process through which generally two sets of information related to PTO transmission service are compiled: (1) the nature and extent of each PTO's outstanding transmission service obligations related to pre-existing transmission contracts and load service obligations and (2) the Congestion Management Assets (CMAs) each PTO will make available to RTO West so that RTO West can honor and manage, in aggregate, all services related to those obligations. Each PTO's Congestion Management Assets must balance with its CTR's.

RTO West will test the sufficiency of each PTO's catalogued Congestion Managements Assets, measured against all of the rights under or based on the PTO's pre-existing transmission contracts and load service obligations in the aggregate(not on an individual contract-by-contract basis). If RTO West's testing reveals that a PTO's Congestion Management Assets are not sufficient to cover all of the PTO's CTRs, the PTO will be obligated to make up any shortfall, e.g., adding facilities or including contractual or operational mechanisms. RTO West will also perform an additional sufficiency test to make sure that when the expected simultaneous use of all the PTOs' CTRs are considered, there are sufficient CMAs, on an aggregate PTO basis, to make good on them.

A proposed set of procedures and rules related to establishing initial CTRs for each PTO is discussed below.

WORKING ASUMMPTIONS:

- **ALL** PTO pre-existing transmission contracts and load service obligations will be catalogued. Contract Customers cannot choose to convert to FTO's before first receiving CTRs.
- The effective date of the CTR catalogued rights is the date RTO West is officially formed and operational.
- The process for establishing individual CTRs and restrictions governing the use of CTRs are designed to assure that those who submit schedules based on CTRs receive neither greater value nor lesser rights than they would have had if they had continued to schedule solely on the basis of their underlying contracts.

PROPOSAL:

At a minimum, the CTR cataloguing process will need to record the following information:

Attachment 3

White Paper - Process for Establishing Initial Individual Catalogued Transmission Rights (CTRs)

John Canavan 10/14/02

- Term - the start and end date during which the obligation is to be honored.
- Injections – the catalogue will include specific injections, which will be defined in terms of injection locations and maximum amounts to be honored at each location.
- Withdrawals – the catalogue will include specified withdrawals, which will be defined in terms of withdrawal locations and maximum amounts to be honored at each location.
- Relationship between injections and withdrawals – Where practical, specific points of injections will be mapped to specific points of withdrawal. Defining levels of granularity for both points of injection and withdrawal below the system or interface levels may be difficult because of retail access, system to system sales to serve load, etc.. The sum of the maximum amounts at points of injection do not necessarily have to equal the sum of the maximum amounts at points of withdrawal.
- Special rules – to the extent that there are special limitations or exceptions that cannot be captured by the set of injections and withdrawals, special rules would govern use of the CTR. This may be, for example, a description of the limits of permitted schedule changes or a description of the interdependency between maximums allowed at particular points of injection and withdrawal (e.g., the injection limit at point A is 100 MWs and the limit at point B is 75 MWs, however, the sum on injections at A and B must not exceed 125 MWs)
- Congestion Management Assets – the catalogue will include all the Congestion Management Assets RTO West will need to service the obligations identified above. This includes facilities such as transmission lines, substations, phase shifters and other hardware as well as contractual and operational mechanisms, such as remedial action schemes, re-dispatch services and rights to restrict service under pre-existing contracts.

The steps for establishing individual CTR entries are described below:

Narrative descriptions of steps in the process of converting CTRs will be developed from the flowchart. See Attachment 10 from Larry Oliva.